

Service Date: October 11, 1983

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF)	
THE MONTANA POWER COMPANY FOR)	DOCKET NO. 83.7.44
AUTHORITY TO ISSUE AND SELL NOT TO)	ORDER NO. 5000b
EXCEED \$75,000,000 OF FIRST MORTGAGE)	
BONDS)	
)	

By Order No. 5000, dated July 19, 1983, this Commission authorized the Applicant, The Montana Power Company, hereinafter called the Company, to issue and sell not to exceed \$75,000,000 of First Mortgage Bonds (Bonds).

Under the Order, the bid price that was received by the Company for the issuance and sale of the Bonds from The First Boston Corporation, Merrill Lynch Capital Markets, Salomon Brothers, Inc., Lehman Brothers Kuhn Loeb, and Blyth Eastman Paine Webber was reported, by telephone, to the Commission.

By a supplement to the Application in this docket, the Company has provided to the Commission information specifying the terms upon which the Bonds were to be sold.

On October 6, 1983, the Company reported to the Commission staff, by telephone, the results of the bidding for the sale of the additional Bonds and the terms upon which such Bonds would be purchased from the Company.

On October 7, 1983, the Company filed a Supplement to its Application reporting the same information with respect to the Bonds.

Having fully considered the Application, as supplemented, and all records and files pertaining thereto and being full advised in the premises, the Commission makes the following:

FINDING OF FACT

That, on October 7, 1983, the Company filed a Supplement to the Application, as contemplated by the Commission's Order No. 5000, dated July 19, 1983, which shows that the proceeds to be realized by the Applicant in cash for the Bonds is \$73,941,750 plus \$293,750 representing accrued interest from October 1, 1983 to October 13 1983. The face amount of the Bonds is \$75,000,000; the coupon rate is 11.75%; and the proceeds to the Applicant are 98.589% of the face amount resulting in an effective interest of 11.994%.

CONCLUSION OF LAW

That the Application of The Montana Power Company, as supplemented herein, complies with Sections 69-3-501 through 69-3-507, MCA, inclusive, and other laws of the State of Montana as aforesaid And the same should be granted as hereinafter ordered.

ORDER

NOW, THEREFORE, at a session of the Public Service Commission of the State of Montana, held in its office at 1227 11th Avenue, Helena, Montana, on October 11, 1983, there regularly came before the Commission for final action, the matters in Docket No. 83.7.44. The Commission being fully advised in the premises makes and enters the following orders:

IT IS ORDERED that the Application filed by The Montana Power Company herein on July 6, 1983, as amended by supplements thereto, filed September 21, 1983 and October 7, 1983, for an order authorizing the issuance and sale of not to exceed \$75,000,000 of First Mortgage Bonds is hereby approved and the issuance and sale of such Bonds be, and the same are, hereby authorized subject to the provisions of this Order pursuant to MCA §69-3-501 through §69-3-507, inclusive.

IT IS FURTHER ORDERED that nothing in this Order or any act or deed done and performed in connection herewith shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized by the Order or authorized, issued, assumed or guaranteed under the provisions of MCA §69-3-501 through 69-3-507, inclusive.

DONE IN OPEN SESSION at Helena, Montana this 11th day of October, 1983, by a 5-0 vote.

Thomas Schneider, Chairman

Clyde Jarvis, Commissioner

Howard L. Ellis, Commissioner

Danny Oberg, Commissioner

ATTEST:

Madeline L. Cottrill
Secretary

(SEAL)

NOTICE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 28.2.4806, ARM.